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WILKE, FLEURY, HOFFELT, GOULD & BIRNEY, LLP

DANIEL L. EGAN (SBN 142631)

degan@wilkefleury.com

STEVEN J. WILLIAMSON (SBN 238869)

swilliamson@wilkefleury.com

KATHRYNE E. BALDWIN (SBN 311052)

kbaldwin@wilkefleury.com

KEVIN R. BONSIGNORE (SBN 313346)

kbonsignore@wilkefleury.com

400 Capitol Mall, Twenty-Second Floor  
Sacramento, California 95814

Telephone: (916) 441-2430

Facsimile: (916) 442-6664

Attorneys for JAMES E. SALVEN, Trustee

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

FRESNO DIVISION

In re

Case No. 17-11824

HORISONS UNLIMITED,

Debtor.

**STIPULATION BETWEEN TRUSTEE AND THE UNITED STATES ON BEHALF OF  
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES REGARDING  
CLASSIFICATION OF CLAIM**

James E. Salven, the duly appointed trustee in the above-captioned Chapter 7 case ("Trustee"), and the United States, on Behalf of the Department of Health and Human Services ("Creditor Department of Health and Human Services") hereby stipulate based on the following facts.

**I.  
RECITALS**

A. Debtor Horisons Unlimited, ("Debtor") commenced this bankruptcy case as a Chapter 11 case on May 10, 2017;

B. The Bankruptcy Court entered an order converting the bankruptcy case to a case under Chapter 7 on August 13, 2017;

1 C. Trustee was appointed as Chapter 7 trustee on August 17, 2017

2 D. Creditor Department of Health and Human Services filed proof of claim No. 114-2 on  
3 April 2, 2018 asserting a general unsecured claim in the amount of \$37,780.679.00. The proof of  
4 claim includes treble damages for an estimate of "False Claims Act liability estimate for  
5 Medicare/Medi-Cal damages (Federal Medi-Cal share only.)" (the "HHS Proof of Claim.")

6 E. Trustee has conferred with Creditor Department of Health and Human Services  
7 regarding the proper classification of the HHS Proof of Claim under Section 726 of the Bankruptcy  
8 Code.

9  
10 **II.**  
**STIPULATION**

11 WHEREFORE, Trustee and Creditor Department of Health and Human Services through  
12 counsel have agreed as follows:

13 1. The sum of \$12,593,559.70 of the HHS Proof of Claim shall be treated as a general  
14 unsecured claim under Section 726(a)(3) of the Bankruptcy Code; and

15 2. The sum of \$25,187,119.30 of the HHS Proof of Claim shall be treated as a  
16 subordinated unsecured claim under Section 726(a)(4) of the Bankruptcy Code.

17 DATED: September 9, 2019

WILKE, FLEURY, HOFFELT,  
GOULD & BIRNEY, LLP

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19  
20 By: 

21 DANIEL L. EGAN  
Attorneys for JAMES E. SALVEN, Trustee

22  
23 DATED: September 9, 2019

UNITED STATES OF AMERICA, ON BEHALF OF  
THE DEPARTMENT OF HEALTH AND HUMAN  
SERVICES

24  
25  
26 By: 

27 VINCENTE TENNERELLI  
28 ASSISTANT UNITED STATES ATTORNEY